

2012 Orange County Property Tax Report with Comparison to 2011

Legislative Services Agency

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This report describes property tax changes in Orange County between 2011 and 2012. In 2012 tax changes in each county were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. In 2012, for the first time in years, tax bill changes were not affected by statewide policy changes. The big 2008 tax reform was fully phased in by 2011. There were some statewide trends. The effects of the Great Recession lingered in many counties, depressing assessed value growth. Taxes in rural counties were affected by a large increase in farmland assessed values.

In Orange County the average tax bill for all taxpayers increased substantially, by 10.0%. This tax bill rise was mainly the result of the 6.1% increase in the tax levy of all local government units and an increase in certified net assessed value of 2.5%. Business and agricultural net assessments increased the most. Levy growth exceeded the net assessed value increase, so the average tax rate rose. Rates increased in all taxing districts. Orange County tax rates are so low, however, that tax cap credits increased as a percent of the levy by only 0.1% in 2012.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2012	10.0%	\$11,357,246	\$706,330,762	0.3%
Change		6.1%	2.5%	0.1%
2011	-1.8%	\$10,703,591	\$688,955,162	0.2%

Homestead Property Taxes

Homestead property taxes increased 6.1% on average in Orange County in 2012. Tax rates increased in all Orange County tax districts. The county average tax rate rose by 3.5%. Homestead assessments rose as well. Orange County tax rates are low, however, so few homeowners are eligible for tax cap credits. The percentage of Orange County homesteads at their tax caps rose from 0.3% in 2011 to 0.4% in 2012.

Net Tax Bill Changes - All Property Types

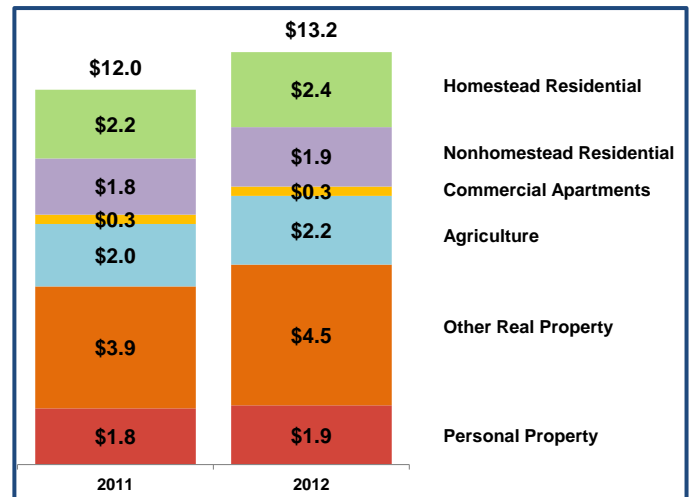
The largest share of Orange County's 2012 net property taxes were paid by business owners on their land and buildings (other real) and business equipment (personal). Net tax bills for all taxpayers increased 10.0% in Orange County in 2012. Net taxes were especially higher for agricultural property and other real property and higher for all other categories of property except commercial apartments. Commercial apartment net taxes fell by 1.0%.

Comparable Homestead Property Tax Changes in Orange County

	2011 to 2012	
	Number of Homesteads	% Share of Total
Summary Change in Tax Bill		
Higher Tax Bill	4,768	78.6%
No Change	354	5.8%
Lower Tax Bill	941	15.5%
Average Change in Tax Bill	6.1%	
Detailed Change in Tax Bill		
20% or More	325	5.4%
10% to 19%	352	5.8%
1% to 9%	4,091	67.5%
0%	354	5.8%
-1% to -9%	733	12.1%
-10% to -19%	87	1.4%
-20% or More	121	2.0%
Total	6,063	100.0%

Note: Percentages may not total due to rounding.

Comparison of Net Property Tax by Property Type (In Millions)



Tax Rates, Levies, and Assessed Values

Property tax rates increased in all Orange County tax districts. The average tax rate rose by 3.5%, because the levy increase was not offset by the smaller increase in certified net assessed value.

Levies in Orange County increased by 6.1%. The largest levy increase was in Paoli Community School Corporation, which had increases in its capital projects, transportation, and bus replacement funds. Springs Valley Schools saw an increase in its debt service levy. No units had substantial tax levy reductions.

Orange County's total net assessed value increased 5.6% in 2012. Agricultural net assessments rose 11.6%. The large increase in agricultural assessed value was due to the 16% increase in the base rate assessment of farmland, from \$1,290 to \$1,500 per acre for taxes in 2012. Business net assessments rose 6.5%, and homestead and other residential assessments increased by smaller amounts.

Property Type	Gross AV 2011	Gross AV 2012	Gross AV Change	Net AV 2011	Net AV 2012	Net AV Change
Homesteads	\$462,079,510	\$468,025,110	1.3%	\$160,785,540	\$164,170,968	2.1%
Other Residential	120,408,600	121,251,100	0.7%	119,458,046	120,162,848	0.6%
Ag Business/Land	151,670,270	169,794,100	11.9%	151,109,622	168,578,687	11.6%
Business Real/Personal	416,204,590	417,217,660	0.2%	324,013,806	345,046,706	6.5%
Total	\$1,150,362,970	\$1,176,287,970	2.3%	\$755,367,014	\$797,959,209	5.6%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Tax Cap (Circuit Breaker) Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

Total tax cap credits in Orange County were \$42,430, or 0.3% of the levy. This was less than the state average percentage of the levy of 9.2%, and also less than the median value of 3.2% among all counties. Tax rates are the main determinant of tax cap credits, and Orange County's tax rates were much lower than the state average and the state median.

Tax cap credits were divided among the 1% homestead category, the 2% nonhomestead/farmland category, and the elderly category. This latter credit holds homeowner taxes for those 65 and over to a maximum 2% annual increase. The largest percentage loss was in the town of West Baden, where district tax rates were above \$2 per \$100 assessed value. The largest dollar losses were in the Springs Valley School Corporation. Tax cap credit losses were very small for Orange County governments, however.

Tax cap credits increased in Orange County in 2012 by \$19,535, or 85.3%. The percentage of the levy lost to credits increased by 0.1%. There were no major changes in state policy to affect tax cap credits in 2012. Orange County credits increased mainly because district tax rates increased, though tax rates remained quite low.

Tax Cap Category	2011	2012	Difference	% Change
1%	\$6,417	\$10,056	\$3,639	56.7%
2%	3,057	14,982	11,926	390.2%
3%	0	0	0	0.0%
Elderly	13,421	17,392	3,970	29.6%
Total	\$22,895	\$42,430	\$19,535	85.3%
% of Levy	0.2%	0.3%		0.1%

Orange County Levy Comparison by Taxing Unit

Taxing Unit	2008	2009	2010	2011	2012	% Change			
						2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
<i>County Total</i>	13,756,612	9,902,610	10,809,164	10,703,591	11,357,246	-28.0%	9.2%	-1.0%	6.1%
State Unit	16,917	0	0	0	0	-100.0%			
Orange County	2,274,727	2,181,612	2,212,172	2,327,291	2,412,826	-4.1%	1.4%	5.2%	3.7%
French Lick Township	24,925	26,608	26,862	27,013	28,128	6.8%	1.0%	0.6%	4.1%
Greenfield Township	11,101	11,621	12,132	12,325	12,325	4.7%	4.4%	1.6%	0.0%
Jackson Township	9,965	10,354	10,932	11,189	11,587	3.9%	5.6%	2.4%	3.6%
Northeast Township	9,605	10,226	10,581	10,788	11,157	6.5%	3.5%	2.0%	3.4%
Northwest Township	11,043	7,628	9,772	9,986	10,363	-30.9%	28.1%	2.2%	3.8%
Orangeville Township	6,755	6,973	7,400	7,363	7,633	3.2%	6.1%	-0.5%	3.7%
Orleans Township	6,445	6,047	7,343	2,819	8,095	-6.2%	21.4%	-61.6%	187.2%
Paoli Township	41,249	42,955	45,888	46,600	46,386	4.1%	6.8%	1.6%	-0.5%
Southeast Township	7,525	7,817	8,330	8,603	5,514	3.9%	6.6%	3.3%	-35.9%
Stamperscreek Township	9,111	9,797	10,106	10,287	10,260	7.5%	3.2%	1.8%	-0.3%
French Lick Civil Town	457,810	519,157	577,109	548,315	567,862	13.4%	11.2%	-5.0%	3.6%
Orleans Civil Town	324,199	348,271	588,958	481,241	516,629	7.4%	69.1%	-18.3%	7.4%
Paoli Civil Town	417,316	421,164	454,741	465,227	480,414	0.9%	8.0%	2.3%	3.3%
West Baden Civil Town	173,931	214,040	213,956	211,342	198,160	23.1%	0.0%	-1.2%	-6.2%
Orleans Community School Corp	2,467,664	1,447,567	1,596,209	1,461,341	1,549,826	-41.3%	10.3%	-8.4%	6.1%
Paoli Community School Corp	3,499,205	1,561,249	2,156,428	2,098,073	2,283,753	-55.4%	38.1%	-2.7%	8.9%
Springs Valley Community School Corp	3,247,217	2,093,560	1,931,580	1,958,710	2,126,000	-35.5%	-7.7%	1.4%	8.5%
Orleans Public Library	49,466	59,761	61,106	64,137	66,230	20.8%	2.3%	5.0%	3.3%
Paoli Public Library	56,833	230,265	155,223	191,884	242,126	305.2%	-32.6%	23.6%	26.2%
French Lick-Melton Public Library	206,860	224,405	235,083	241,300	239,744	8.5%	4.8%	2.6%	-0.6%
Orange County Fire Protection District	215,272	212,169	222,156	228,041	227,688	-1.4%	4.7%	2.6%	-0.2%
Orange County Solid Waste Mgmt Dist	211,471	249,364	255,097	279,716	294,540	17.9%	2.3%	9.7%	5.3%

Orange County 2012 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates					Net Tax Rate, Homesteads
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
59001	French Lick Township	1.4853	--	--	--	--	--	--	1.4853
59002	French Lick Town	2.0803	--	--	--	--	--	--	2.0803
59003	West Baden Town	2.1846	--	--	--	--	--	--	2.1846
59004	Greenfield Township	1.3406	--	--	--	--	--	--	1.3406
59005	Jackson Township	1.4450	--	--	--	--	--	--	1.4450
59006	Northeast Township	1.2206	--	--	--	--	--	--	1.2206
59007	Northwest Township	1.4856	--	--	--	--	--	--	1.4856
59008	Orangeville Township	1.2232	--	--	--	--	--	--	1.2232
59009	Orleans Township	1.2403	--	--	--	--	--	--	1.2403
59010	Orleans Town	1.8100	--	--	--	--	--	--	1.8100
59011	Paoli Township	1.4545	--	--	--	--	--	--	1.4545
59012	Paoli Town	1.8957	--	--	--	--	--	--	1.8957
59013	Southeast Township	1.3050	--	--	--	--	--	--	1.3050
59014	Stamperscreek Township	1.3241	--	--	--	--	--	--	1.3241

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Orange County 2012 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total		
<i>Non-TIF Total</i>	10,056	14,450	0	17,392	41,898	11,357,246	0.4%
<i>TIF Total</i>	0	532	0	0	532	1,705,200	0.0%
<i>County Total</i>	10,056	14,982	0	17,392	42,430	13,062,446	0.3%
Orange County	1,856	2,332	0	3,575	7,762	2,412,826	0.3%
French Lick Township	33	103	0	44	180	28,128	0.6%
Greenfield Township	0	0	0	25	25	12,325	0.2%
Jackson Township	9	0	0	33	42	11,587	0.4%
Northeast Township	0	0	0	3	3	11,157	0.0%
Northwest Township	0	0	0	15	15	10,363	0.1%
Orangeville Township	1	0	0	0	2	7,633	0.0%
Orleans Township	1	0	0	7	7	8,095	0.1%
Paoli Township	69	0	0	102	171	46,386	0.4%
Southeast Township	0	0	0	9	9	5,514	0.2%
Stamperscreek Township	8	0	0	4	12	10,260	0.1%
French Lick Civil Town	226	2,886	0	721	3,833	567,862	0.7%
Orleans Civil Town	34	0	0	687	721	516,629	0.1%
Paoli Civil Town	758	0	0	1,136	1,894	480,414	0.4%
West Baden Civil Town	1,341	1,800	0	257	3,399	198,160	1.7%
Orleans Community School Corp	113	0	0	978	1,091	1,549,826	0.1%
Paoli Community School Corp	2,434	0	0	4,384	6,819	2,283,753	0.3%
Springs Valley Community School Corp	2,222	6,256	0	3,680	12,158	2,126,000	0.6%
Orleans Public Library	5	0	0	54	59	66,230	0.1%
Paoli Public Library	361	0	0	534	894	242,126	0.4%
French Lick-Melton Public Library	264	788	0	396	1,448	239,744	0.6%
Orange County Fire Protection District	95	0	0	310	405	227,688	0.2%
Orange County Solid Waste Mgmt Dist	227	285	0	436	948	294,540	0.3%
TIF - French Lick Town	0	532	0	0	532	1,442,469	0.0%
TIF - West Baden Town	0	0	0	0	0	262,732	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.